



SANDRA SHEWRY  
Director

State of California—Health and Human Services Agency  
**Department of Health Services**



ARNOLD SCHWARZENEGGER  
Governor

October 27, 2006

Dear Interested Parties:

**HIV/AIDS DISEASE MANAGEMENT PILOT PROGRAM REQUEST FOR PROPOSAL (RFP) 06-55519 ADMINISTRATIVE BULLETIN 4, ADDENDUM 3**

Administrative Bulletin Number 4, Addendum 3 issued by the California Department of Health Services (CDHS), Office of Medi-Cal Procurement (OMCP), announces changes to the Request for Proposal (RFP) for the HIV/AIDS Disease Management Pilot Program. CDHS provides notification to interested parties of the following:

**The enclosure (Addendum 3) incorporates changes to the RFP;** it includes changes to:

- RFP Main Text, Section R, Contract Terms and Conditions
- Exhibit A1, Standard Agreement
- Exhibit E, Additional Provisions

These changes are being made to clarify sections in the RFP. Within the text of the documents, changes are indicated with an underline or a strikethrough to denote revisions.

In order to configure the Internet and CD version of the RFP to accurately reflect the current requirements and considerations, remove the existing page and insert the appropriate replacement page as indicated in the following table. The website for the electronic version is [www.dhs.ca.gov/omcp](http://www.dhs.ca.gov/omcp).

**ONLINE AND CD VERSION**

To update the RFP, use the instructions in the following chart. Any changes made to the RFP are published as replacement pages as the RFP.

| REMOVE EXISTING PAGES   | REPLACEMENT PAGES  |
|---|--|
| RFP Main Text, Section R, Contract Terms and Conditions, Item 1, Sample | RFP Main Text, Section R, Contract Terms and Conditions, Item 1, Sample contract |

| REMOVE EXISTING PAGES                                     | REPLACEMENT PAGES   |
|---|---|
| contract forms / exhibits, page 55 only.                  | forms / exhibits, page 55 only.<br><br>Revised the total number of pages contained in Exhibit E, Additional Provisions.   |
| Exhibit A-1, Standard Agreement<br>(1 page exhibit)       | Exhibit A1, Standard Agreement.<br><br>Corrected the exhibit number to A1 and revised the total number of pages shown as contained in Exhibit E, Additional Provisions.                       |
| Exhibit E, Additional Provisions, Pages 1-20 of 20 (all). | Exhibit E, Additional Provisions, Pages 1-23 of 23.<br><br>Added Provision 39, "Disputes". Revised pagination (total number of pages) for the entire exhibit to reflect the additional pages. |

Proposers have five (5) working days from the issue of this transmittal to the postmark date of the proposers' response to submit any objections to the Addendum or Proposers' questions to the address below:

RFP 06-55519 Q & A  
Attn: Lenatte Blouin or Kelly Walton  
CA Department of Health Services  
Office of Medi-Cal Procurement, Mail Station 4200  
HIV/AIDS Disease Management Pilot Program  
P.O. Box 997413  
Sacramento, CA 95899-7413

If you should have further questions, please contact Lenatte Blouin or Kelly Walton, lead analysts assigned to this procurement, at (916) 552-8006.

Sincerely,

Original signed by *Donna Martinez*

Donna Martinez, Chief  
Office of Medi-Cal Procurement

Enclosures

| Exhibit Label                   | Exhibit Name   |
|---------------------------------|--|
| e. Exhibit C -<br>View on-line. | General Terms and Conditions (GTC 306). View or download this exhibit at this Internet site<br><a href="http://www.ols.dgs.ca.gov/Standard+Language/default.htm">http://www.ols.dgs.ca.gov/Standard+Language/default.htm</a> . |
| f. Exhibit D(F)                 | Special Terms and Conditions (26 pages)  |
| g. Exhibit E                    | Additional Provisions ( <del>20</del> <u>23</u> pages)   |
| h. Exhibit F                    | Contractor's Release (1 page)  |
| i. Exhibit G                    | HIPAA Business Associate Addendum (7 pages)  |

## **2. Unanticipated tasks**

In the event unanticipated or additional work must be performed that is not identified in this RFP, but in CDHS' opinion is necessary to successfully accomplish the scope of work, CDHS will initiate a contract amendment to add that work. All terms and conditions appearing in the final contract, including the salary/wage rates, will apply to any additional work.

## **3. Resolution of language conflicts (RFP vs. final agreement)**

If an inconsistency or conflict arises between the terms and conditions appearing in the final agreement and the proposed terms and conditions appearing in this RFP, any inconsistency or conflict will be resolved by giving precedence to the final agreement.

**STANDARD AGREEMENT**

STD 213 (DHS Rev 7/06)

Exhibit A1

REGISTRATION NUMBER

AGREEMENT NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

(Also referred to as CDHS, DHS, or the State)

California Department of Health Services

CONTRACTOR'S NAME

(Also referred to as Contractor)

2. The term of this Agreement is: January 2, 2007 through July 31, 2010

3. The maximum amount of this Agreement is: \$

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of this Agreement.

|   |                         |
|---|-------------------------|
| Exhibit A – Scope of Work   | 22 pages                |
| Exhibit B – Budget Detail and Payment Provisions  | 4 pages                 |
| Exhibit B, Attachment I – Special Payment Provisions  | 5 pages                 |
| Exhibit C * – General Terms and Conditions  | <a href="#">GTC 306</a> |
| Exhibit D (F) – Special Terms and Conditions (Attached hereto as part of this agreement)    | 26 pages                |
| Notwithstanding provisions 5, 6, 15, 16, 22, 23 and 30 which do not apply to this agreement |                         |
| Exhibit E – Additional Provisions   | 23 pages                |
| Exhibit F – Contractor's Release  | 1 page                  |
| Exhibit G – HIPAA Business Associate Addendum   | 7 pages                 |

See Exhibit [E](#), Provision 1 for additional incorporated exhibits.

Items shown above with an Asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at <http://www.ols.dgs.ca.gov/Standard+Language>.

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

**CONTRACTOR**

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

BY (Authorized Signature)

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

**STATE OF CALIFORNIA**

AGENCY NAME

California Department of Health Services

BY (Authorized Signature)

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

Allan Chinn, Chief, Contracts and Purchasing Services Section

ADDRESS

1501 Capitol Avenue, Suite 71.2101, MS 1403, P.O. Box 997413  
Sacramento, CA 95899-7413**California Department of  
General Services Use Only**☐ Exempt per:

Contractor's Name  
XX-XXXXX

**Exhibit E**  
Additional Provisions

**1. Additional Incorporated Exhibits**

A. The following additional exhibits are attached, incorporated herein, and made a part hereof by this reference:

1) Exhibit H      Narrative Proposal      XXX pages

B. The following documents and any subsequent updates are not attached, but are incorporated herein and made part of hereof by this reference. These documents may be updated periodically by California Department of Health Services (CDHS), as required by program directives. CDHS shall provide the Contractor with copies of said documents and any periodic updates thereto, under separate cover. CDHS will maintain on file, all documents referenced herein and any subsequent updates.

1) CDHS Health Administrative Manual Section 6-1000.

**2. Contract Amendments**

Should either party, during the term of this agreement, desire a change or amendment to the terms of this Agreement, such changes or amendments shall be proposed in writing to the other party, who will respond in writing as to whether the proposed changes/amendments are accepted or rejected. If accepted and after negotiations are concluded, the agreed upon changes shall be made through the State's official agreement amendment process. No amendment will be considered binding on either party until it is formally approved by the State.

**3. Cancellation / Termination**

A. This agreement may be cancelled by CDHS without cause upon a thirty (30) calendar days advance written notice to the Contractor.

B. CDHS reserves the right to cancel or terminate this agreement immediately for cause. The Contractor may submit a written request to terminate this agreement only if CDHS substantially fails to perform its responsibilities as provided herein.

C. The term "for cause" shall mean that the Contractor fails to meet the terms, conditions, and/or responsibilities of this agreement.

D. Agreement termination or cancellation shall be effective as of the date indicated in CDHS' notification to the Contractor. The notice shall stipulate any final performance, invoicing or payment requirements.

E. Upon receipt of a notice of termination or cancellation, the Contractor shall take immediate steps to stop performance and to cancel or reduce subsequent agreement costs.

Contractor's Name  
XX-XXXXX

**Exhibit E**  
Additional Provisions

- F. In the event of early termination or cancellation, the Contractor shall be entitled to compensation for services performed satisfactorily under this agreement and expenses incurred up to the date of cancellation and any non-cancelable obligations incurred in support of this agreement.

**4. Use of Disabled Veteran Business Enterprises (DVBE)**

- A. The State Legislature has declared that a fair portion of the total purchases and contracts or subcontracts for property and services for the State be placed with disabled veteran business enterprises.
- B. All DVBE participation attachments, however labeled, completed as a condition of bidding, contracting, or amending a subject agreement, are incorporated herein and made a part of this agreement by this reference.
- C. Contractor agrees to use the proposed DVBEs, as identified in previously submitted DVBE participation attachments, unless the Contractor submits a written request for substitution of a like or alternate subcontractor. All requests for substitution must be approved by CDHS, in writing, prior to using a substituted subcontractor.
- D. Requests for substitution must be approved by the program funding this agreement and must include:
- 1) A written explanation of the reason for the substitution.
  - 2) A written description of the business enterprise that will be substituted, including its DVBE certification status.
  - 3) If applicable, the reason a non-DVBE subcontractor is proposed for use.
  - 4) A written description of the work to be performed by the substituted subcontractor and an identification of the percentage share/dollar amount of the overall contract that the substituted subcontractor will perform.
- E. If requested by CDHS, Contractor agrees to provide verification, in a form agreed to by CDHS, that DVBE subcontractor participation under this agreement is in compliance with the goals specified at the time of contract award or in an applicable amendment.

**5. Performance Evaluation**

- A. This provision replaces and supersedes provision 23 of Exhibit D(F).
- B. The Contractor's performance under this agreement shall be evaluated at the conclusion of the term of this agreement. The evaluation shall include, but not be limited to:

Contractor's Name  
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**Exhibit E**  
Additional Provisions

- 1) Whether the contracted work or services were completed as specified in the agreement, and reasons for and amount of any cost overruns.
  - 2) Whether the contracted work or services met the quality standards specified in the agreement.
  - 3) Whether the Contractor fulfilled all requirements of the agreement.
  - 4) Factors outside the control of the Contractor, which caused difficulties in contractor performance. Factors outside the control of the Contractor shall not include a Subcontractor's poor performance.
- C. The evaluation of the Contractor shall not be a public record.

**6. Insurance Requirements**

**A. Commercial Liability Insurance**

The Contractor must furnish to CDHS a certificate of insurance stating that the commercial general liability insurance of not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined is presently in effect for the Contractor. The commercial general liability insurance policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under the insured agreement. The commercial general liability insurance shall apply separately to each insured against whom the claim is made or suit is brought subject to the Contractor's limit of liability.

- B. The certificate of insurance must be issued by an insurance company acceptable to the Department of General Services (DGS) Office of Risk and Insurance Management or be provided through partial or total self-insurance acceptable to DGS.

- C. The certificate of insurance must include the following provisions:

- 1) The insurer will not cancel the insured's coverage without giving thirty (30) days prior written notice to CDHS, and
- 2) The State of California, its officers, agents, employees, and servants are included as additional insured's, but only with respect to work performed for the State of California under this agreement.

- D. The Contractor agrees that the insurance required herein will remain in effect at all times during the term of the agreement. In the event said insurance coverage expires at any time or times during the term of this agreement, the Contractor agrees to provide, at least thirty (30) calendar days before said expiration date, a new

Contractor's Name

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**Exhibit E**  
**Additional Provisions**

certificate of insurance evidencing insurance coverage as provided herein for not less than the remainder of the term of this agreement or for a period of not less than one year. New certificates of insurance are subject to the approval of DGS, and the Contractor agrees that no work or services shall be performed prior to such approval. CDHS may, in addition to other remedies it may have, terminate this agreement on the occurrence of such event.

- E. CDHS will not be responsible for any premiums, deductibles, or assessments on any insurance policy.

**7. Progress Reports or Meetings**

- A. Contractor shall submit progress reports or attend meetings with state personnel at intervals determined by CDHS to determine if the Contractor is on the right track, whether the project is on schedule, provide communication of interim findings, and afford occasions for airing difficulties or special problems encountered so that remedies can be developed quickly.
- B. At the conclusion of this agreement and if applicable, Contractor shall hold a final meeting at which Contractor shall present any findings, conclusions, and recommendations. If required by this agreement, Contractor shall submit a comprehensive final report.

**8. Avoidance of Conflicts of Interest by Contractor**

- A. CDHS intends to avoid any real or apparent conflict of interest on the part of the Contractor, subcontractors, or employees, officers and directors of the Contractor or subcontractors. Thus, CDHS reserves the right to determine, at its sole discretion, whether any information, assertion or claim received from any source indicates the existence of a real or apparent conflict of interest; and, if a conflict is found to exist, to require the Contractor to submit additional information or a plan for resolving the conflict, subject to CDHS review and prior approval.
- B. Conflicts of interest include, but are not limited to:
- 1) An instance where the Contractor or any of its subcontractors, or any employee, officer, or director of the Contractor or any subcontractor has an interest, financial or otherwise, whereby the use or disclosure of information obtained while performing services under the contract would allow for private or personal benefit or for any purpose that is contrary to the goals and objectives of the contract.
  - 2) An instance where the Contractor's or any subcontractor's employees, officers, or directors use their positions for purposes that are, or give the appearance of being, motivated by a desire for private gain for themselves or others, such as those with whom they have family, business or other ties.



Contractor's Name

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**Exhibit E**  
**Additional Provisions**

- C. If CDHS is or becomes aware of a known or suspected conflict of interest, the Contractor will be given an opportunity to submit additional information or to resolve the conflict. A Contractor with a suspected conflict of interest will have five (5) working days from the date of notification of the conflict by CDHS to provide complete information regarding the suspected conflict. If a conflict of interest is determined to exist by CDHS and cannot be resolved to the satisfaction of CDHS, the conflict will be grounds for terminating the contract. CDHS may, at its discretion upon receipt of a written request from the Contractor, authorize an extension of the timeline indicated herein.

**9. Prohibited Follow-on Contracts**

- A. No person, firm, or subsidiary thereof who has been awarded a consulting services agreement may submit a bid for, nor be awarded an agreement for, the provision of services, procurement of goods or supplies, or any other related action which is required, suggested, or otherwise deemed appropriate in the end product of the consulting services agreement.
- B. Paragraph A does not apply to any person, firm, or subsidiary thereof who is awarded a subcontract of a consulting services agreement which totals no more than 10 percent of the total monetary value of the consulting services agreement.
- C. Paragraphs A and B do not apply to consulting services agreements subject to Chapter 10 (commencing with Section 4525) of Division 5 of Title 1 of the Government Code.

**10. Domestic Partners**

This provision supersedes and replaces Provision 8 (Domestic Partners) in the Department of General Services' Contractor Certification Clauses incorporated by reference within the General Terms and Conditions (GTC) cited on the face of the agreement. Based upon an existing program exemption from Chapter 2 of Part 2 of Division 2 of the Public Contract Code that applies to this agreement, CDHS concludes that this agreement is not subject to the requirements of Public Contract Code Section 10295.3 governing domestic partners.

**11. Use of Small Business Subcontractors**

(Only applicable to agreements awarded in part due to the granting of non-small business subcontractor preference where the Contractor committed to use small business subcontractors for at least 25% of the initial contract cost or amount bid.)

- A. All Non-Small Business Subcontractor Preference Request attachments and Small Business Subcontractor/Supplier Acknowledgment attachments, however labeled, completed as a condition of bidding, are incorporated herein and made a part of this agreement by this reference.

Contractor's Name

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**Exhibit E**  
Additional Provisions

- B. Contractor agrees to use each small business subcontractor/supplier, as identified in previously submitted Non-Small Business Subcontractor Preference Request attachments, unless the Contractor submits a written request for substitution of a like or alternate subcontractor. All requests for substitution must be approved by DHS, in writing (including email or fax), prior to using a proposed substitute subcontractor.
- C. Requests for substitution must be approved by the funding program and must include, at a minimum:
- 1) An explanation of the reason for the substitution.
  - 2) A written description of the business enterprise that will be substituted, including its small business certification status.
  - 3) If substitution of an alternate small business does not occur, include a written justification and description of the steps taken to try to acquire a new small business and how that portion of the contract will be fulfilled.
  - 4) A written description of the work to be performed by the substituted subcontractor identified by both task (if applicable) and dollar amount or percentage of the overall contract that the substituted subcontractor will perform. The substituted business, if approved, must perform a commercially useful function in the contract pursuant to Title 2, California Code of Regulations §1896.6.
- D. DHS may consent to the substitution in any of the situations set forth in Public Contract Code Section 4107 of the Subletting and Subcontracting Fair Practices Act.
- E. Prior to the approval of the prime contractor's request for the substitution, the funding program shall give notice in writing to the listed subcontractor of the prime contractor's request to substitute and the reasons for the request to substitute. The notice shall be served by certified or registered mail to the last known address of the subcontractor. The listed subcontractor that has been so notified shall have five (5) working days after the receipt of the notice to submit written objections to the substitution to the funding program. Failure to file these written objections shall constitute the listed subcontractor's consent to the substitution. If written objections are filed, DHS shall give notice in writing of at least five (5) working days to the listed subcontractor of a hearing by DHS on the prime contractor's request for substitution.
- F. Failure of the contractor to subcontract with the small businesses listed in its bid or proposal to DHS, or failure to follow applicable substitution rules and regulations may be grounds for the Department of General Services to impose sanctions pursuant to Government Code Section 14842.5 and Title 2, California Code of Regulations § 1896.16. In the event such sanction are to be imposed, the Contractor shall be notified in writing and entitled to a hearing pursuant to Title 2, California Code of Regulations § 1896.18 and § 1896.20.

Contractor's Name  
XX-XXXXX

**Exhibit E**  
Additional Provisions

- G. If requested by DHS, Contractor agrees to provide documentation/verification, in a form agreed to by DHS, that small business subcontractor usage under this agreement complies with the commitments specified during the contractor selection process.

**12. Governing Law**

In addition to Exhibit C, General Terms and Conditions, Provision 14, Governing Law, Contractor also agrees to the following:

- A. If it is necessary to interpret this Contract, all applicable laws may be used as aids in interpreting the Contract. However, the parties agree that any such applicable laws shall not be interpreted to create contractual obligations upon CDHS or Contractor, unless such applicable laws are expressly incorporated in to this Contract in some section other than this provision. Except for Exhibit E, Additional Provisions, provision 25, Sanctions, and provision 26, Liquidated Damages, the parties agree that any remedies for CDHS' or Contractor's non-compliance with laws not expressly incorporated into this Contract, or any covenants implied to be part of this Contract, shall not include money damages, but may include equitable remedies such as injunctive relief or specific performance. This Contract is the product of mutual negotiation, and if any ambiguities should arise in the interpretation of this Contract, both parties shall be deemed authors of this Contract.
- B. Any provision of this Contract which is in conflict with current or future applicable Federal or State laws, or regulations, is hereby amended to conform to the provision to those laws and regulations. Such amendment of the Contract shall be effective on the effective date of the statutes or regulations necessitating it, and shall be binding on the parties even though such amendment may not have been reduced to writing and formally agreed upon and executed by the parties.

Such amendment shall constitute grounds for termination of this Contract in accordance with the procedures and provisions of Exhibit E, Additional Provisions, provision 3., under Cancellation/Termination. The parties shall be bound by the terms of the amendment until the effective date of the termination.

**13. Entire Agreement**

This written Contract and any amendments shall constitute the entire agreement between the parties. No oral representations shall be binding on either party unless such representations are reduced to writing and made an amendment to the Contract.

**14. Change Requirements**

- A. General Provisions

Contractor's Name

XX-XXXXX

### **Exhibit E**

#### **Additional Provisions**

The parties recognize that during the life of this Contract, the HIV/AIDS Disease Management Pilot Program (DMPP) will be a dynamic program requiring numerous changes to its operations and that the scope and complexity of changes will vary widely over the life of the Contract. The parties agree that the development of a system, which has the capability to implement such changes in an orderly and timely manner, is of considerable importance.

#### **B. Contractor's Obligation to Implement**

The Contractor will make changes mandated by CDHS. In the case of mandated changes in regulations, statutes, federal guidelines, or judicial interpretation, CDHS may direct the Contractor to immediately begin implementation of any change by issuing a change order. If CDHS issues a change order, the Contractor will be obligated to implement the required changes while discussions relevant to any rate adjustment, if applicable, are taking place.

CDHS may, at any time, within the general scope of the Contract, by written notice, issue change orders to the Contract.

#### **C. Moral or Religious Objections to Providing a Service**

If the Contractor has a moral or religious objection to providing a service or referral for a service for which the Contractor is not responsible, during the term of this agreement, the Contractor shall notify the CDHS in writing providing sufficient detail to establish the moral or religious grounds for the objection.

### **15. Delegation of Authority**

CDHS intends to implement this contract through a single administrator, called the "Contract Manager." CDHS will appoint the Contract Manager. The Contract Manager, on behalf of CDHS, will make all determinations and take all actions appropriate under this Contract, subject to the limitations of applicable Federal and State laws and regulations. The Contract Manager may delegate their authority to act to an authorized representative through written notice to Contractor.

Contractor will designate a single administrator; hereafter called the "Contractor's Representative." The Contractor's Representative, on behalf of the Contractor, will make all determinations and take all actions as appropriate to implement this Contract, subject to the limitations of the Contract, Federal and State laws and regulations. The Contractor's Representative may delegate their authority to act to an authorized representative through written notice to the Contract Manager. The Contractor's Representative will be empowered to legally bind the Contractor to all agreements reached with CDHS.

Contractor's Name  
XX-XXXXX

## **Exhibit E**

### **Additional Provisions**

Contractor shall designate Contractor's Representative in writing and shall notify the Contract Manager in accordance with Exhibit E, Additional Provisions, provision 20, Notices.

#### **16. Authority of the State**

Sole authority to establish define, or determine the reasonableness, the necessity and level and scope of covered benefits under the DMPP administered in this Contract or coverage for such benefits, or the eligibility of such beneficiaries or providers to participate in the DMPP reside with CDHS.

Sole authority to establish or interpret policy and its application related to the above areas will reside with CDHS.

The Contractor may not make any limitations, exclusions, or changes in benefits or benefit coverage; any changes in definition or interpretation of benefits; or any changes in the administration of the Contract related to the scope of benefits, allowable coverage for those benefits, or eligibility of beneficiaries or providers to participate in the program, without the express, written direction or approval from CDHS.

#### **17. Fulfillment of Obligations**

No covenant, condition, duty, obligation or undertaking continued or made part of this Contract will be waived except by written agreement of the parties hereto, and forbearance or indulgence in any other form or manner by either party in any regard whatsoever will not constitute a waiver of the covenant, condition, duty, obligation or undertaking to be kept, performed or discharged by the party to which the same may apply; and, until performance or satisfaction of all covenants, conditions, duties, obligations and undertakings is complete, the other party will have the right to invoke any remedy under this Contract, or under law, notwithstanding such forbearance or indulgence.

#### **18. Obtaining CDHS Approval**

Contractor shall obtain written approval from CDHS, as provided in Exhibit E, Additional Provisions, provision 38, CDHS Approval Process, prior to commencement of operation under this Contract.

CDHS reserves the right to review and approve any changes to Contractor's protocols, policies, and procedures required for this Contract.

#### **19. Certifications**

With respect to any report, invoice, record, papers, documents, books of account, or other Contract required data submitted, pursuant to the requirements of this Contract, the Contractor's Representative or his/her designee will certify, under penalty of perjury,

Contractor's Name  
XX-XXXXX

**Exhibit E**  
Additional Provisions

that the report, invoice, record, papers, documents, books of account or other Contract required data is current, accurate, complete and in full compliance with legal and contractual requirements to the best of that individual's knowledge and belief, unless the requirement for such certification is expressly waived by CDHS in writing.

**20. Notices**

All notices to be given under this Contract will be in writing and will be deemed given when mailed to CDHS or the Contractor:

|  |  |
|--|--|
| California Department of Health Services<br>Medi-Cal Benefits Branch<br>1501 Capitol Avenue<br>P.O. Box 997417, MS 4601<br>Sacramento, CA 95899-7417 | Contractor Name and Address<br>Attn: Contractor's Representative |
|--|--|

**21. Term**

The Contract will become effective January 2, 2007, and will continue in full force and effect through July 31, 2010.

The term of the Contract consists of the following three periods:

- 1) The Implementation Period shall extend from January 2, 2007 to April 30, 2007;
- 2) The Operations Period shall extend from May 1, 2007 to April 30, 2010;
- 3) The Phaseout Period shall extend from May 3, 2010 to July 31, 2010.

The Operations Period will commence subject to CDHS acceptance of the Contractor's readiness to begin the Operations Period.

**22. Contract Extension**

CDHS will have the exclusive option to extend the term of the Contract for any Service Area during the last twelve (12) months of the Contract, as determined by the original expiration date or by a new expiration date if an extension option has been exercised. CDHS may invoke up to two (2) separate extensions of up to twelve (12) months each. The Contractor will be given at least nine (9) months prior written notice of CDHS' decision on whether it will exercise this option to extend the contract for each service area.

Contractor will provide written notification to CDHS of its intent to accept or reject the extension within five (5) working days of the receipt of the notice from CDHS.

Contractor's Name  
XX-XXXXX

**Exhibit E**  
Additional Provisions

**23. Service Area**

The Service Area is statewide.

**24. Phaseout Requirements**

- A. CDHS shall retain the lesser of an amount equal to ten percent (10%) of the last month's Service Area case management fee or one million dollar (\$1,000,000) for each Service Area unless provided otherwise, until all activities required during the Phaseout Period for each Service Area are fully completed to the satisfaction of CDHS, in its sole discretion.

If all Phaseout activities for each Service Area are completed by the end of the Phaseout Period, the withhold will be paid to the Contractor. If the Contractor fails to meet any requirements by the end of the Phaseout Period for each Service Area, CDHS will deduct the costs of the remaining activities from the withhold amount and continue to withhold payments until all activities are completed.

- B. The Phaseout Period will ensure, at the termination of this Contract, the orderly transfer of necessary data and history records is made from the Contractor to CDHS or to a successor Contractor. The Contractor shall not provide services to Members during the Phaseout Period.

Ninety (90) calendar days prior to termination or expiration of the Operations Period and through the three (3) month Phaseout Period for each Service Area, the Contractor shall assist CDHS in the transition of Members, and in ensuring, to the extent possible, continuity of Member-Provider relationships. In doing this, the Contractor will make available to CDHS copies of Medical Records, Members records, and any other pertinent information, including information maintained by any subcontractor, necessary for efficient case management of Members, as determined by CDHS in cooperation with the Medical Director. In no circumstances will a Medical beneficiary be billed for this activity.

- C. Phaseout for the Contractor will consist of the completion of all financial and reporting obligations of the Contractor. The Contractor will submit to CDHS all reports required in Exhibit A, Provision 5.A, Contract Administration, paragraph 3., Reporting Requirements, for the period from the last submitted report through the expiration or termination date.

All data and information provided by the Contractor will be accompanied by letter, signed by the responsible authority, certifying, under penalty of perjury, to the accuracy and completeness of the materials supplied.

- D. Phaseout Period will commence on the date the Operations Period of the Contract expires. Phaseout related activities are non-payable items.



Contractor's Name  
XX-XXXXX

**Exhibit E**  
Additional Provisions

E. The Contractor shall notify Members of their DM benefit and options available upon termination or expiration of this Contract.

**25. Sanctions**

In the event CDHS finds Contractor non-compliant with any provisions of this Contract, applicable statutes or regulations, CDHS may impose sanctions as provided in Title 22, CCR, Section 51452.

**26. Liquidated Damages Provisions**

A. General

It is agreed by the State and Contractor that:

- 1) If Contractor does not provide or perform the requirements of this Contract or applicable laws or regulations, damage to the State shall result:
  - a) Proving such damages shall be costly, difficult and time-consuming;
  - b) Should the State choose to impose liquidated damages, Contractor shall pay the State those damages for not providing or unsatisfactorily performing the specified provisions;
  - c) Additional damages may occur in the Service Areas by prolonged periods in which Contractor does not provide or perform requirements;
  - d) The damage figures listed below represent a good faith effort to quantify the range of harm that could reasonably be anticipated at the time of the making of the Contract; and
  - e) CDHS may, at its discretion, offset liquidated damages from case-management fee payments owed to Contractor.
- 2) Imposition of liquidated damages as specified in this provision 26, Liquidated Damages Provisions, paragraph B, entitled Liquidated Damages for Violation of Contract Terms Regarding the Implementation Period, and paragraph C, entitled Liquidated Damages for Violation of Contract Terms or Regulations Regarding the Operations Period, shall follow the administrative processes described below.
- 3) CDHS shall provide Contractor with written notice of deficiencies specifying the Contractor requirement(s) contained in the Contract or as required by Federal and State law or regulation, not provided or unsatisfactorily performed.
- 4) During the Implementation Period, Contractor shall submit or complete the outstanding requirement(s) specified in the written notice within five (5) working



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days from the date for the notice, unless, subject to the Contract Manager's written approval, Contractor submits a written request for extension. The request must include the following: the provisions requiring an extension; the reason for the delay; and the proposed date of the revised submission.

- 5) During the Implementation Period, if Contractor has not performed or completed an Implementation Period requirement or secured an extension for the submission of the outstanding requirement, CDHS may impose liquidated damages for the amount specified under this provision 26, Liquidated Damages Provisions, paragraph B, entitled Liquidated Damages for Violation of Contract Terms Regarding the Implementation Period.
  - 6) During the Operations Period, Contractor shall demonstrate satisfactory performance of Contractor's requirement(s) specified in the written notice within a thirty (30) calendar day Corrective Action period from the date of the notice. CDHS has the sole discretion to grant an extension subject to prior written request from the Contractor. Such request must be received by CDHS at least 5 days prior to expiration of the Corrective Action period. If the Contractor has not demonstrated the provision or performance of the Contractor's requirement(s) specified in the written notice during the Corrective Action period, CDHS may impose liquidated damages for each day the specified Contractor's requirement is not satisfactorily performed or provided for the amount specified in this provision 26, Liquidated Damages Provisions, paragraph C, entitled Liquidated Damages for Violation of Contract Terms or Regulations during the Operations Period.
  - 7) During the Operations Period, if Contractor has not performed or provided Contractor's requirement(s) specified in the written notice or secured the written approval for an extension, after thirty (30) calendar days from the first day of the imposition of liquidated damaged, CDHS shall notify Contractor in writing of the increase of the liquidated damages to the amount specified in this provision 26, Liquidated Damages Provisions, paragraph C, entitled Liquidated Damages for Violation of Contract Terms or Regulations during the Operations Period. Nothing in this provision shall be construed as relieving Contractor from performing any other Contract duty not listed herein, nor is the State's right to enforce or to seek other remedies for failure to perform any other Contract duty hereby diminished.
- B. Liquidated Damages for Violation of Contract Terms Regarding the Implementation Period

CDHS may impose liquidated damages of \$2,500 per requirement specified in the written notice for each day of the delay in completion or submission of implementation plan requirements beyond the Implementation Period as specified in Exhibit A, Provision 5.J, entitled Implementation Plan and Deliverables.

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If CDHS determines that a delay or other unsatisfactory performance was caused in part by the State, CDHS will reduce the liquidated damages proportionately.

**C. Liquidated Damages for Violation of Contract Terms or Regulations During the Operations Period**

CDHS may impose liquidated damages of \$500 per violation of Contract requirement not performed in accordance with Exhibit A, Provision 5.G, entitled Member Services – Scope of Services.

If CDHS determines that a delay or other unsatisfactory performance was caused in part by the State, CDHS will reduce the liquidated damages proportionately.

**D. Liquidated Damages for Violation of Contract Terms Regarding the Phaseout Period**

CDHS may impose liquidated damages of \$500 per requirement specified in the written notice for each day of the delay in completion of Phaseout requirements beyond the Phaseout Period as specified in this Exhibit E, Additional Provisions, provision 24, entitled Phaseout Requirements.

If CDHS determines that a delay or other unsatisfactory performance was caused in part by the State, CDHS will reduce the liquidated damages proportionately.

**E. Conditions for Termination of Liquidated Damages**

Except as waived by the Contract Manager, no liquidated damages imposed on Contractor will be terminated or suspended until the Contractor issues a written notice of correction to the Contract Manager certifying, under penalty of perjury, the correction of condition(s) for which liquidated damages were imposed. Liquidated damages will cease on the day of the Contractor's certification only if the subsequent verification of the correction by CDHS establishes that the correction has been made in the manner and at the time certified to by the Contractor.

The Contract Manager will determine whether the necessary level of documentation has been submitted to verify corrections. The Contract Manager will be the sole judge of the sufficiency and accuracy of any documentation. Corrections must be sustained for a reasonable period of at least ninety (90) calendar days from CDHS acceptance; otherwise, liquidated damages may be re-imposed without a succeeding grace period within which to correct. Contractor's use of resources to correct deficiencies will not be allowed to cause other Contract compliance problems.

**F. Severability of Individual Liquidated Damages Clauses**

If any portion of these liquidated damages provisions is determined to be unenforceable, the other provisions will remain in full force and effect.

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**27. Audit**

In addition to Exhibit C, General Terms and Conditions, Provision 4, Audit, Contractor also agrees to the following:

The Contractor will maintain such books and records necessary to disclose how the Contractor discharged its obligations under this Contract. These books and records will disclose the quantity of disease management (DM) covered services provided under this Contract, the quality of those services, the manner and amount of payment for those services, the person eligible to receive DM covered services, the manner in which the Contractor administered its daily business, and the cost thereof.

**A. Books and Records**

These books and records will include, but are not limited to, all physical records originated or prepared pursuant to the performance under this Contract including working papers; reports submitted to CDHS; financial records; all Medical records, medical charts and prescription information; and other documentation pertaining to DM covered services rendered to Members.

**B. Records Retention**

Notwithstanding any other records retention time period set forth in this Contract, these books and records will be maintained for a minimum of five (5) years from the end of the current Fiscal Year in which the date of service occurred; in which the record or data was created or applied; and for which the financial record was created or the Contract is terminated, or, in the event the Contractor has been duly notified that CDHS, Department of Health and Human Services (DHHS), California Department of Justice Bureau of Medi-Cal Fraud (DOJ), or the Comptroller General of the United States, or their duly authorized representatives, have commenced an audit or investigation of the Contract, until such time as the matter under audit or investigation has been resolved; whichever is later.

**28. Inspection Rights**

In addition to Exhibit D (F), Special Terms and Conditions, Provision 8, Site Inspection, Contractor also agrees to the following:

Through the end of the records retention period specified in Exhibit E, Additional Provisions, provision 27, Audit, paragraph B, Records Retention, Contractor shall allow the CDHS, DHHS, DOJ, the Comptroller General of the United States, Department of Managed Health Care, and other authorized State agencies, or their duly authorized representatives, including CDHS' contracted evaluation consultant, to inspect, monitor or otherwise evaluate the quality, appropriateness, and timeliness of services performed under this Contract, and to inspect, evaluate, and audit any and all books, records, and facilities maintained by Contractor and subcontractors pertaining to these services at any

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time during normal business hours.

Books and records include, but are not limited to, all physical records originated or prepared pursuant to the performance under this Contract, including working papers, reports, financial records, and books of account, Medical Records, prescription files, laboratory results, Subcontracts, information systems and services rendered to Members. Through the end of the records retention period specified in Exhibit E, Additional Provisions, provision 27, entitled Audit, Contractor shall furnish any record, or copy of it, to CDHS or any other entity listed in this section, at Contractor's sole expense, on request.

Authorized State and Federal agencies will have the right to monitor all aspects of the Contractor's operation for compliance with the provisions of this Contract and applicable Federal and State laws and regulations. Such monitoring activities will include, but are not limited to, inspection and auditing of Contractor, subcontractor(s), and provider facilities, management systems and procedures, and books and records as the Director deems appropriate, at any time during the Contractor's or other facilities normal business hours. The monitoring activities will be either announced or unannounced.

To assure compliance with the Contract and for any other reasonable purpose, the State and its authorized representatives and designees will have the right to access the premise(s), with or without notice to the Contractor. This will include the MIS operations site or such other place where duties under the Contract are being performed.

Staff designated by authorized State agencies will have access to all security areas and the Contractor will provide, and will require any and all of its subcontractors to provide, reasonable facilities, cooperation and assistance to State representative(s) in the performance of their duties. Access will be undertaken in such a manner as to not unduly delay the work of the Contractor and/or the subcontractor(s).

## **29. Confidentiality of Information**

In addition to Exhibit D (F), Special Terms and Conditions, Provision 13, Confidentiality of Information, Contractor also agrees to the following duties and responsibilities with respect to confidentiality of information and data:

- A. Notwithstanding any other provision of this Contract, names of persons receiving public social services are confidential and are to be protected from unauthorized disclosure in accordance with Title 42, CFR, Section 431.300 et seq., Section 14100.2, Welfare and Institution Code, [Section 121025, Health and Safety Code](#), and regulations adopted there under. For the purpose of this Contract, all information, records, data, and data elements collected and maintained for the operation of the contract and pertaining to Members shall be protected by the Contractor from unauthorized disclosure.

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Contractor may release Medical Records in accordance with applicable law pertaining to the release of this type of information.

- B. With respect to any identifiable information concerning a Member under this Contract that is obtained by the Contractor or its subcontractors, the Contractor: 1) will not use any such information for any purpose other than carrying out the express terms of this contract, 2) will promptly transmit to CDHS all requests for disclosure of such information, 3) will not disclose except as otherwise specifically permitted by this Contract, any such information to any party other than CDHS without CDHS' prior written authorization specifying that the information is releasable under Title 42, CFR, Section 431.300 et seq., Section 14100.2 Welfare and Institutions Code, and regulations adopted there under, and 4) will, at the termination of this Contract, return all such information to CDHS or maintain such information according to written procedures sent to the Contractor by CDHS for this purpose.

C. Penalties for breaching confidentiality of HIV/AIDS records will be assessed according to Section 121025 of the Health and Safety Code.

#### **30. Records Related to Recovery for Litigation**

Upon request by CDHS, Contractor shall gather in a timely manner, preserve and provide to CDHS, in the form and manner specified by CDHS, any information specified by CDHS, subject to any lawful privileges, in Contractor's or its subcontractor's possession, relating to threatened or pending litigation by or against CDHS. If Contractor asserts that any requested documents are covered by a privilege, Contractor shall: 1) identify such privileged documents while retaining the privilege; and 2) state the privilege being claimed that supports withholding production of the document. Such request shall include, but is not limited to, a response to a request for documents submitted by any party in any litigation by or against CDHS. Contractor acknowledges that time may be of the essence in responding to such request. Contractor shall use all reasonable efforts to immediately notify CDHS of any subpoenas, document production request, or requests for records, received by Contractor or its subcontractors related to this Contract or subcontracts entered into under this Contract.

#### **31. Fraud and Abuse Reporting**

Contractor shall report to the Contract Manager all cases of suspected fraud and/or abuse, as defined in 42 CFR, Section 455.2, where there is reason to believe that an incident of fraud and/or abuse has occurred, by subcontractors, Members, providers, or employees within ten (10) working days of the date when Contractor first becomes aware of or is on notice of such activity. Contractor shall establish policies and procedures for identifying, investigating and taking appropriate corrective action against fraud and/or abuse in the provision of DM covered services under the Medi-Cal program. Contractor shall notify CDHS prior to conducting any investigations, based upon Contractor's finding that there is reason to believe that an incident of fraud and/or abuse has occurred, and, upon the request of CDHS, consult with CDHS prior to conducting

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such investigations. Without waiving any privileges of Contractor, Contractor shall report investigation results within ten (10) working days of conclusion of any fraud and/or abuse investigation.

**32. Equal Opportunity Employer**

Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state it is an equal opportunity employer, and will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by CDHS, advising the labor union or workers' representative of the Contractor's commitment as an equal opportunity employer and will post copies of the notice in conspicuous places available to employees and applicants for employment.

**33. Discrimination Prohibitions**

**A. Member Discrimination Prohibition**

Contractor shall not discriminate against members or eligible members because of race, color, creed, religion, ancestry, marital status, sexual orientation, national origin, age, sex, or physical or mental handicap in accordance with Title VI or the Civil Rights Act of 1964, 42 USC Section 2000d, rules and regulations promulgated pursuant thereto, or as otherwise provided by law or regulations. For the purpose of this Contract, discriminations on the grounds of race, color, creed, religion, ancestry, age, sex, national origin, marital status, sexual orientation, or physical or mental handicap include, but are not limited to, the following:

- 1) Denying any member any DM covered services;
- 2) Providing to a Member any DM covered services which are different, or are provided in a different manner or at a different time from those provided to other members under this Contract except where medically indicated;
- 3) Subjecting a member to segregation or separate treatment in any manner related to the receipt of any DM covered services.
- 4) Restricting a member in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any DM covered services; treating a member or eligible member differently from others in determining whether he or she satisfies admission; enrollment quota, eligibility, membership, or other requirement or condition which individuals must meet in order to be provided any DM covered services.

Contractor shall take affirmative action to ensure that members are provided DM covered services without regard to race, color, national origin, creed, ancestry,

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religion, language, age, gender, marital status, sexual orientation, health status, or disability, except where medically indicated.

**B. Discrimination Related to Health Status**

Contractor shall not discriminate among eligible members on the basis of their health status requirements or requirements for health care services during enrollment, re-enrollment, or disenrollment. Contractor will not terminate the enrollment of an eligible beneficiary based on an adverse change in the member's health unless the change in health status affects the Member's eligibility for the program.

**C. Discrimination Complaints**

Contractor agrees that copies of all complaints alleging discrimination against members or eligible members because of race, color, national origin, creed, ancestry, religion, language, age, gender, marital status, sexual orientation, health status, or disability, will be forwarded to CDHS for review and appropriate action.

**34. Americans with Disabilities Act of 1990 Requirements**

Contractor shall comply with all applicable federal requirements in Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 (42 USC, Section 12101 et seq.), Title 45, Code of Federal Regulations (CFR), Part 84. Title IX of the Education Amendments of 1972 (regarding education programs and activities), and the Age Discrimination Act of 1975.

**35. Word Usage**

Unless the context of this Contract clearly requires otherwise, (a) the plural and singular numbers shall each be deemed to include the other; (b) the masculine, feminine, and neuter genders shall each be deemed to include the others; (c) "shall," "will," "must," or "agrees" are mandatory, and "may" is permissive; (d) "or" is not exclusive; and (e) "includes" and "including" are not limiting.

**36. Program Information**

CDHS shall provide Contractor with complete and current information with respect to pertinent policies, procedures, and guidelines affecting the operation of this Contract, within thirty (30) calendar days of receipt of Contractor's written request for information, to the extent that the information is readily available. If the requested information is not available, CDHS shall notify Contractor within thirty (30) calendar days, in writing, of the reason for the delay and when Contractor may expect the information.



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**37. Financial Statements**

The **successful** Proposer must submit one of the following after the contract award is made to their firm. This submission must be received prior to the contract effective date.

- A. An audit report (only the three paragraph statement including the third paragraph auditor's opinion) from an independent auditor. The report must not list any "going concern" issue regarding the Proposer's ability to operate for the upcoming year from the end of the audit's fieldwork. The audit report must be from an audit completed within the last 12 months from the date of this RFP release. However, neither financial documents nor audit documents shall be submitted.
- B. A letter of credit from an FDIC insured financial institution for at least \$2,000,000 that is current on the date that the letter of credit is submitted to CDHS. This letter will serve as an indication that the Proposer has access to adequate operating capital to undertake the DMPP. No other financial documentation other than the letter of credit shall be submitted.

**38. CDHS Approval Process**

Within sixty (60) calendar days of receipt, CDHS shall make all reasonable efforts to approve in writing the use of such material provided to CDHS, provide Contractor with a written explanation why its use is not approved, or provide a written estimated date of completion of CDHS' review process. If CDHS does not complete its review of submitted material within sixty (60) calendar days of receipt, or within the estimated date of completion of CDHS review, Contractor may elect to implement or use the material at Contractor's sole risk and subject to possible subsequent disapproval by CDHS. This paragraph shall not be construed to imply CDHS approval of any material that has not received written CDHS approval. This paragraph shall not apply to Subcontracts or sub-subcontracts.

**39. Disputes**

In addition to Exhibit C, entitled General Terms and Conditions, provision 6, Disputes, Contractor also agrees to the following:

This section will be used by the Contractor as the means of seeking resolution of disputes on contractual issues.

Filing a dispute will not preclude CDHS from recouping the value of the amount in dispute from the Contractor or from offsetting this amount from subsequent case management fee(s). If the amount to be recouped exceeds twenty-five percent (25%) of the case management fee, amounts of up to twenty-five percent (25%) will be withheld from successive case management fees until the amount in dispute is fully recouped.



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A. Disputes Resolution by Negotiation

CDHS and Contractor agree to negotiate in good faith to try to resolve all contractual issues to the mutual agreement of the parties at the Contract Manager level without litigation. The parties recognize that the implementation of this policy depends on open-mindedness, and the need for both sides to present adequate supporting information on all matters in question or dispute.

B. Notification of Dispute

Within fifteen (15) calendar days of the date the dispute concerning performance of this Contract arises or otherwise becomes known to the Contractor, the Contractor will notify the Contract Manager in writing of the dispute, describing the conduct (including actions, inactions, and written and oral communications) which it is disputing.

The Contractor's notification will state, on the basis of the most accurate information then available to the Contractor, the following:

- 1) That it is a dispute pursuant to this section.
- 2) The date, nature, and circumstances of the conduct, which is subject of the dispute.
- 3) The names, phone numbers, function, and activity of the Contractor, subcontractor(s), CDHS/State official(s) or employee(s) involved in or knowledgeable about the conduct.
- 4) The identification of any documents and the substances of any oral communications involved in the conduct. Copies of all identified documents will be attached.
- 5) The reason the Contractor is disputing the conduct.
- 6) The cost impact to the Contractor directly attributable to the alleged conduct, if any.
- 7) The Contractor's desired remedy.

The required documentation, including cost impact data, will be carefully prepared and submitted with substantiating documentation by the Contractor. This documentation will serve as the basis for any subsequent appeal.

Following submission of the required notification with supporting documentation, the Contractor will diligently continue performance of this Contract, including matters identified in the Notification of Dispute, to the maximum extent possible.

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C. Contract Manager's or Designee

Pursuant to a request by Contractor, the Contract Manager may provide for a dispute to be decided by a designee designated by CDHS; who is not the Contract Manager and is not directly involved in the DMPP. Any disputes concerning performance of this Contract shall be decided by the Contract Manager or the designee in a written decision stating the factual basis for the decision. Within thirty 30 calendar days of receipt of a Notification of Dispute, the Contract Manager or designee shall either:

- 1) Find in favor of Contractor, in which case the Contract Manager or designee:
  - a) Countermand the earlier conduct which caused Contractor to file a dispute; or
  - b) Reaffirm the conduct and, if there is a cost impact sufficient to constitute a change in obligations pursuant to Exhibit B, Payment Provisions, direct CDHS to comply with that Exhibit; or
- 2) Deny Contractor's dispute and, where necessary, direct the manner of future performance; or
- 3) Request additional substantiating documentation in the event the information in Contractor's notification is inadequate to permit a decision to be made under 1) or 2) above, and shall advise Contractor as to what additional information is required, and establish how that information shall be furnished. Contractor shall have thirty (30) calendar days to respond to the Contract Manager or designee's request for further information. Upon receipt of this additional requested information, the Contract Manager or designee shall have thirty (30) calendar days to respond with a decision. Failure to supply additional information required by the Contract Manager or designee within the time period specified above shall constitute waiver by Contractor of all claims in accordance with paragraph F, entitled Waiver of Claims, in this provision 24, Disputes.

A copy of the decision shall be served on the Contractor.

D. Appeal of Contract Manager's or Designee's Decision

Contractor shall have thirty (30) calendar days following the receipt of the decision to file an appeal of the decision to the Director. All appeals shall be governed by Health and Safety Code Section 100171, except for those provisions of Section 100171(d)(1) relating to accusations, statements of issues, statement to respondent, and notice of defense. All appeals shall be in writing and shall be filed with CDHS' Office of Administrative Hearings and Appeals. An appeal shall be deemed filed on the date it is received by the Office of Administrative Hearings and Appeals. An appeal shall specifically set forth each issue in dispute, and include Contractor's contentions as to those issues. However, Contractor's appeal shall be limited to

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those issues raised in its Notification of Dispute filed pursuant to paragraph B, Notification of Dispute, in this provision 24. Failure to appeal the decision in a timely manner shall constitute a waiver by the Contractor of all claims arising out of that conduct, in accordance with paragraph F, Waiver of Claims, of this provision 24. Contractor shall exhaust all procedures provided for in this provision, prior to initiating any other action to enforce this Contract.

E. Contractor Duty to Perform

Pending final determination of any dispute hereunder, Contractor shall proceed diligently with the performance of this Contract and in accordance with the Contract Manager's or designee's decision.

If, pursuant to an appeal under paragraph D, Appeal of Contract Manager or Designee's Decision, of this provision 24, the Contract Manager's or designee's decision is reversed, the effect of the decision pursuant to paragraph D, Appeal of Contract Manager or Designee's Decision, shall be retroactive to the date of the Contract Manager's or designee's decision, and Contractor shall promptly receive any benefits of such decision. CDHS shall not pay interest on any amounts paid pursuant to a Contract Manager's or designee's decision or any appeal of such decision.

F. Waiver of Claims

If Contractor fails to submit a Notification of Dispute, supporting and substantiating documentation, any additionally required information, or an appeal of the Contract Manager's or designee's decision, in the manner and within the time specified in this provision, that failure shall constitute a waiver by Contractor of all claims arising out of that conduct, whether direct or consequential in nature.